

# Lakeview Estates Condominium Association

## Resolution of the Board of Directors

Subject: Collection Policy For Delinquent Accounts

**Whereas**, and in accordance with the Master Deed, Condominium Bylaws and the Bylaws of the Lakeview Estates Condominium Association, the Board of Directors is authorized and empowered to govern the affairs to the Association including establishing Association assessment amounts, collecting assessment payments, and taking legal action against a Co-owner in default for non-payment of such assessments;

**Whereas**, the Board of Directors is responsible for the financial administration of the Association in the payment of any and all bills assigned to the Association, and

**Whereas**, the Board of Directors rely on each Co-owner's regular payment of the Association assessments in order for the Association to meet its' financial obligations and to provide services to the occupants of the Lakeview Estates Condominium Association, and

**Whereas**, the Board of Directors must comply with the Federal Fair Debt Collection Act in the collection of delinquent accounts,

**THEREFORE, BE IT RESOLVED** that the following Delinquent Account Collection policy be implemented for the collection of payment of Association assessments in default:

1. The payment of an Association assessment shall be in default if such assessment or any part thereof is not paid to the Association in full on or before the end of the month in which such assessment falls due.
2. If the Association assessment is not paid by the end of the month in which such assessments falls due, the Management company will send the respective Co – owner a letter, via regular mail to the Co-owner's last known mailing address, giving the Co-owner notice that the assessment payment is in default and requesting payment in full plus accumulated interest and charges assessed against the Co-owner's account as delineated below.
3. If the Co-owner's account remains unpaid in full by the end of the second month after which the initial assessment fell due, the Association will notify the Association's attorney for initiating collection actions against the Co-owner in default. Upon request, the Association's attorney will send a demand for payment letter and a Notice of Lien to the Co-owner in default, via regular mail addressed to the Co-owner at his/her last known mailing address, requesting payment in full

of the Co-owner's account balance plus cost of collection as delineated below, within ten (10) days of the notice. Failure to make full payment within ten (10) days will result in the recording of the Notice of Lien with the Wastenaw County Register of Deeds.

4. The Co-owner in default for non-payment may request in writing the Association's Board's approval an installment payment plan to pay off the delinquency, by providing an explanation for the cause for the delinquency and making a proposal for installment payments to discharge the debt. The Board may accept, reject or modify the proposed installment payment plan. The Co-owner requesting the installment payment plan will be notified promptly of the Board's decision.

If the Board approves an installment payment plan for the Co-owner in default, the Co-owner's failure to make the scheduled payments on time will nullify the installment payment plan, and the remaining balance will become due immediately. If the immediate payment is not made by the Co-owner in default, at the Board's request, the Association attorney may commence legal action to collect the amount due, seeking a money judgment and/or a foreclosure of lien.

5. If the Co-owner account remains unpaid in full by the end of six months after the initial assessment fell due, unless the Co-owner has been approved for and has complied with an installment payment plan as provided above, the Board will request the Association attorney to initiate a lawsuit for a money judgment and/or a foreclosure of the lien.
6. The Board reserves the right to consider cases on an individual basis and vary from this policy if and when it is deemed appropriate.
7. Unpaid assessments shall bear interest at the rate of 7% (seven percent) per annum from the date the assessment became due until it is paid in full.
8. The late fee of \$20.00 will be assessed against each Co-owner in default for every month the respective Co-owner's account remains unpaid in full.
9. An Administrative Fee of \$25.00 will be assessed against each Co-owner in default for every month the respective Co-owner's account remains unpaid in full.
10. Once the Co-owner's account is turned over to the Association's attorney for collection, an initial legal fee of \$175.00 will be assessed immediately against the Co-owner's account for the estimated costs of collection in recording and discharging the lien, which includes recording costs and attorney fees. If legal action is commenced, the Co-owner will be assessed all the additional costs of collection and actual attorney fees.

11. Unpaid assessments, including assessments for accrued interest, late fees, administrative fees, legal fees, costs of collection and advances for taxes and other liens paid by the Association to protect its lien shall be chargeable to the Co-owner in default and shall be secured by the lien on the Co-owner's unit.


12. Payments under this policy shall be applied as follows:

- a) Outstanding Legal Fees (includes all attorney expenses and other expenses related to the collection process)
- b) Outstanding Late fees and Related Charges (includes the \$20.00 late fee, the administrative and any fines that may be applied.)
- c) The balance will be applied to the Association Assessments

13. The Board may accelerate the due date of the balance of the unpaid annual assessments.

This policy shall be applicable to all Co-owners. This resolution shall be effective on the date shown below and will remain in effect until otherwise rescinded, modified, or amended by the majority of the Board of Directors.

Executed on this 26<sup>TH</sup> day of JULY, 2006 first written by:

  
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Lynne Rose – President

  
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Nina Johnson, Secretary